

VZCZCXR02161
RR RUEHHM
DE RUEHHI #0197/01 0300852
ZNR UUUUU ZZH
R 300852Z JAN 07
FM AMEMBASSY HANOI
TO RUEHC/SECSTATE WASHDC 4503
INFO RUEHHM/AMCONSUL HO CHI MINH 2448
RUEHGV/USMISSION GENEVA 1161
RUCPDOC/DEPT OF COMMERCE WASHINGTON DC

UNCLAS SECTION 01 OF 02 HANOI 000197

SIPDIS

STATE FOR EAP/MLS
STATE PASS TO USTR DAVID BISBEE
COMMERCE FOR 4431/MAC/AP/OPB/VLC/HPPHO

SENSITIVE
SIPDIS

E.O. 12958: N/A
TAGS: KTEX ETRD ECON PREL WTRO VM
SUBJECT: VIETNAM CONTINUES TO OPPOSE APPAREL MONITORING

Ref: A) HANOI 0082 B) 06 HANOI 3071 C) 06 HANOI 3084

¶1. (SBU) The Ministry of Trade (MOT) has again registered its strong opposition to the Department of Commerce's proposed monitoring mechanism on textile and apparel products from Vietnam. The reaction was prompted by the second Federal Register notice, published January 18, calling for public comments on the monitoring program. In a January 29 diplomatic note, the Ministry cites the difficulties the program has created for U.S. importers as well as Vietnamese manufacturers and workers. It views the mechanism as contrary to President Bush's commitment and a violation of the non-discrimination principle of the WTO. MOT proposes that the USG reconsider and withdraw the proposed import monitoring program. Full text of the diplomatic note is in paragraph 2. Post understands that Trade Minister Truong Dinh Tuyen reiterated Vietnam's concerns in his meeting with Deputy U.S. Trade Representative Karan Bhatia in Davos on January 26.

¶2. (SBU) Text of diplomatic note (MOT-provided translation):

BEGIN TEXT

(Free Translation)
Ministry of Trade
The Socialist Republic of Vietnam

Ref: VN-US/1/01/07

The Ministry of Trade of the Socialist Republic of Vietnam presents its compliments to the Department of Commerce of the United States of America and once again expresses its strong opposition to the "Import Monitoring Program on Textile and Apparel Products from Vietnam," that the U.S. Department of Commerce has again put forth for public comments for the second round.

The Ministry of Trade of Vietnam understands that the current monitoring system of the U.S. for all textile and apparel products imported from all countries in the world (including Vietnam) is a comprehensive, detailed and transparent system, and above all, is a fair and equitable system for all trading partners of the U.S. who are WTO members. Therefore, there are neither legal grounds nor arguments convincing enough for the U.S. side to design an additional monitoring Program specifically for textile and apparel products imported from Vietnam alongside the current monitoring system. Moreover, the presence of a monitoring mechanism specifically for Vietnam's textile and apparel products also goes contrary to what U.S. President George W. Bush committed to with Prime Minister Nguyen Tan Dzung in the letter that the U.S. President sent to the Prime Minister of the Socialist Republic of Vietnam, saying: the monitoring system will ensure non-discrimination against Vietnam's textile and apparel products.

Although the additional information in the second-round proposal mentions that fact that this Program does not aim at restraining legal trade, in fact it has created negative impacts - causing worries and unstable mentality for U.S. importers placing orders in Vietnam right from the very first month of 2007, and making it impossible for Vietnam textiles and apparel manufacturers to proactively plan their production, and above all, creating instabilities for workers in Vietnam's textiles and apparel industries. This is the first and obvious damage for Vietnam having become a WTO member. In the capacity of an official member of the WTO, Vietnam has the obligations to fully implement its commitments and the principles of WTO, and at the same time, has the rights to demand the satisfaction of its legitimate interests as a member. Based on the violation of this Program with respect to the non-discrimination principle of WTO and Article XXIII of the GATT Agreement of 1994, and for the reasons stated in this letter and the letter that the Ministry of Trade sent to the U.S. Department of Commerce on December 22 2006, the Ministry of Trade of the Socialist Republic of Vietnam does not accept the monitoring mechanism specifically for Vietnam textile and apparel products and proposes that the U.S. Government seriously reconsider and withdraw the proposal on the Import Monitoring Program on Textile and Apparel Products from Vietnam.

Once again, the Ministry of Trade of the Socialist Republic of Vietnam avails itself of this opportunity to renew to the U.S. Department of Commerce the assurances of its highest consideration.

Hanoi, 29 January 2007

To: U.S. Department of Commerce
CC: United States Trade Representative
U.S. Embassy in Hanoi
Vietnam Embassy in the U.S.

HANOI 00000197 002 OF 002

END TEXT

13. No original to follow.

MARINE